

Has my company made a

prohibited agreement?

It is mandatory for every entrepreneur to comply with the principles of fair competition, which require to take independent and non-negotiated decisions on price policy of goods or services, participation in public procurement etc.

By maintaining an excessively close relationship with competitors, the company is at risk of engaging in a prohibited agreement (cartel) which is the most serious infringement of competition law.

With the help of self-assessment tool, make sure that your employees of your company do not violate the law and the company has not become a member of the cartel.



Price agreement

- I have discussed with the competitors price or price range I would offer for provided goods and/or services, including the amount of the discounts

Example. Agreement that the goods/service should not pay less than €50.

- I have discussed with the competitors pricing mechanisms for proposed goods and/or services
- I am a member of an association and we have discussed among the members of it, who are my competitors, the necessary changes in the sector, such as the prices of products or services

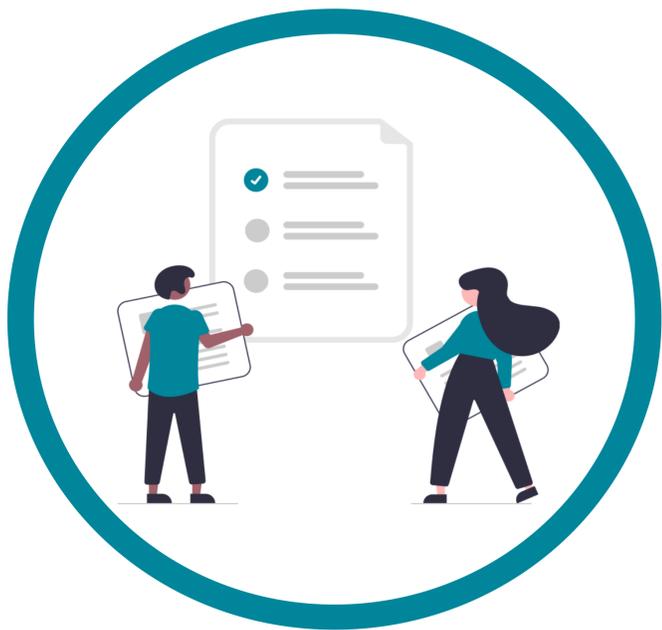


Market allocation arrangement

- I have agreed with competitors on the markets in which I intend to operate

Example. We have divided market geographically - for my company Riga city, while a competitor in Daugavpils

- I have discussed and/or agreed on customer allocation with competitors. The agreement provides that each has its own customers and each other's customers should not be approached
- An agreement with a competitor distorts the entry of a potential competitor/market participant or facilitates other market participant's/competitor's abandonment off the market



I have discussed with competitors participation in tenders, such as public procurement or auctions

Example. We have agreed on the procurements and which of the competitors will take part in each of them. Also who of us will be the scheduled winner.

I have agreed with other bidders that they will not participate in the specific procurement

I have agreed with other tenderers about price offer

Example. I indicate my offered goods/services price and what the price of the competitors should be, or I have prepared and sent offers to all tenderers asking them to change their estimates a little.

Agreement on participation in public procurement



A competitor or procurement organiser asks me to prepare an "artificial offer" without genuine desire to compete, because otherwise the procurement does not have sufficient amount of participants

We agree with the competitors that the cheapest offer will withdraw its participation in procurement, then also others do it and this will leave the most expensive one as the winner. This is how we proceed in all procurements by changing the "scheduled winner"

My employee also works for a competitor and makes procurement application on behalf for both companies

I have agreed with competitors on the planned production amount or sales of goods/services

I have discussed with competitors the planned investment for business development

Production arrangements

If you responded positively to one or more statements, contact the Competition Council of Latvia immediately and discuss the possibility of applying for the leniency programme.

The leniency programme protects the whistleblower from cartel of:

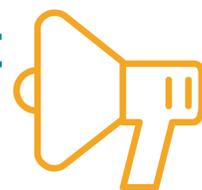
➤ **FINE** that can reach up to 10% of the company's previous year turnover

➤ the **1-year BAN ON PUBLIC PROCUREMENT**

If you have an information about prohibited agreement implemented by other competitor



**REPORT TO THE
COMPETITION
COUNCIL**



It can also be done anonymously on the website www.kp.gov.lv